

Adopted	Rejected
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COMMITTEE REPORT

YES:	19
NO:	4

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred House Bill 1093, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 5-10-1.1-1.5 IS ADDED TO THE INDIANA
- 4 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 5 [EFFECTIVE JULY 1, 1999]: **Sec. 1.5. (a) The state, through the**
- 6 **budget agency, may adopt a defined contribution plan, under**
- 7 **Section 401(a) of the Internal Revenue Code, for the purpose of**
- 8 **matching all or a specified portion of state employees'**
- 9 **contributions to the state employees' deferred compensation plan.**
- 10 **(b) The deferred compensation committee shall be the trustee of**
- 11 **a plan established under subsection (a) as described in section 4 of**
- 12 **this chapter. A plan established under subsection (a) shall be**
- 13 **administered by the auditor of state as described in section 5 of this**
- 14 **chapter.**
- 15 **(c) The deferred compensation committee may approve funding**
- 16 **offerings for a plan established under subsection (a), which may be**

the same as offerings for the state employees' deferred compensation plan. All funds in each plan shall be separately accounted for, but may be commingled for investment purposes.

(d) Contributions to a plan established under subsection (a) are limited to the amount of biennial appropriations made for that purpose.

(e) A plan established under subsection (a) must include appropriate provisions concerning the plan's day to day operation and any other provisions that are appropriate. Notwithstanding IC 22-2-6-2, the plan may also include provisions for the use of automated voice response units and telephonic communications, on-line activities, and other technology for participant elections, directions, and services if the technology has sufficient capacity to record and store the elections and directions.

(f) The state is obligated at any particular time only for the current market value of the funding previously made to a plan established under subsection (a).".

Page 2, line 27, strike "once" and insert "**four (4) times**".

Page 2, line 29, strike "beginning".

Page 2, strike line 30.

Page 2, line 31, strike "(30)" and insert "**not later than five (5) working**".

Page 14, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 17. IC 33-13-9.1-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 3.5. (a) A judge who has served in the active military service of the United States may purchase credit for the military service, subject to the following:**

(1) The judge:

(A) must have at least six (6) years of credited service as a judge before the judge may claim the service credit; or

(B) must have become permanently disabled within the meaning of section 5(b) of this chapter within one (1) year before the purchase of the credit.

(2) Credit for years of service combined with the military service credit under this section may not exceed twenty-two (22) years.

(3) The judge must make contributions to the fund in order to

1 purchase the service credit, before the judge retires or within
 2 one (1) year after the time the judge becomes permanently
 3 disabled, that are equal to the product of the following:

4 (A) The judge's salary at the time the judge actually makes
 5 a contribution for the service credit.

6 (B) The normal cost, which is a percentage rate, as
 7 determined by the age of the judge at the time the judge
 8 actually makes a contribution for service credit and
 9 computed to result in a contribution rate that
 10 approximates the actuarial value of the benefit attributable
 11 to the service credit purchased.

12 (C) The number of years of military service credit the
 13 judge intends to purchase.

14 (4) The judge must contribute accrued interest, at a rate
 15 determined by the actuary for the fund, for the period from
 16 the judge's initial participation in the fund to the date
 17 payment is made by the judge.

18 (5) The fund must receive verification that the military service
 19 is valid as of the date the verification is received.

20 (6) Credit for years of military service that qualify a judge for
 21 retirement in an out-of-state public retirement system or in a
 22 federal retirement system other than under the federal Social
 23 Security Act may not be granted under this section.

24 (b) The following apply to the purchase of service credit under
 25 this section:

26 (1) The board may allow a judge to make periodic payments
 27 of the contributions required for the purchase of the service
 28 credit. The board shall determine the length of the period
 29 during which the payments must be made.

30 (2) The board may deny an application for the purchase of
 31 service credit if the purchase would exceed the limitations
 32 under Section 415 of the Internal Revenue Code.

33 (3) A judge may not claim the service credit for purposes of
 34 determining eligibility or computing benefits unless the
 35 member has made all payments required for the purchase of
 36 the service credit.

37 (c) A judge who has purchased military service credit who
 38 subsequently receives a retirement or disability annuity for the

1 same service from another tax supported public employee
 2 retirement or disability plan other than under the federal Social
 3 Security Act may withdraw the personal contributions made under
 4 the contributory plan plus accumulated interest after submitting
 5 to the fund a properly completed application for a refund."

6 Page 15, between lines 16 and 17, begin a new paragraph and insert:

7 "SECTION 19. IC 33-13-10.1-4.5 IS ADDED TO THE INDIANA
 8 CODE AS A NEW SECTION TO READ AS FOLLOWS
 9 [EFFECTIVE JULY 1, 1999]: **Sec. 4.5. (a) A judge who has served**
 10 **in the active military service of the United States may purchase**
 11 **credit for the military service, subject to the following:**

12 (1) **The judge:**

13 (A) **must have at least six (6) years of credited service as a**
 14 **judge before the judge may claim the service credit; or**

15 (B) **must have become permanently disabled within the**
 16 **meaning of section 8(a) of this chapter within one (1) year**
 17 **before the purchase of the credit.**

18 (2) **Credit for years of service combined with the military**
 19 **service credit under this section may not exceed twenty-two**
 20 **(22) years.**

21 (3) **The judge must make contributions to the fund in order to**
 22 **purchase the service credit before the judge retires, or within**
 23 **one (1) year after the time that the judge becomes**
 24 **permanently disabled, that are equal to the product of the**
 25 **following:**

26 (A) **The judge's salary at the time the judge actually makes**
 27 **a contribution for the service credit.**

28 (B) **The normal cost, which is a percentage rate, as**
 29 **determined by the age of the judge at the time the judge**
 30 **actually makes a contribution for service credit and**
 31 **computed to result in a contribution rate that**
 32 **approximates the actuarial value of the benefit attributable**
 33 **to the service credit purchased.**

34 (C) **The number of years of military service credit the**
 35 **judge intends to purchase.**

36 (4) **The judge must contribute accrued interest, at a rate**
 37 **determined by the actuary for the fund, for the period from**
 38 **the judge's initial participation in the fund to the date**

1 payment is made by the judge.

2 (5) The fund must receive verification that the military service
3 is valid as of the date the verification is received.

4 (6) Credit for years of military service that qualify a judge for
5 retirement in an out-of-state public retirement system or in a
6 federal retirement system other than under the federal Social
7 Security Act may not be granted under this section.

8 (b) The following apply to the purchase of service credit under
9 this section:

10 (1) The board may allow a judge to make periodic payments
11 of the contributions required for the purchase of the service
12 credit. The board shall determine the length of the period
13 during which the payments must be made.

14 (2) The board may deny an application for the purchase of
15 service credit if the purchase would exceed the limitations
16 under Section 415 of the Internal Revenue Code.

17 (3) A judge may not claim the service credit for purposes of
18 determining eligibility or computing benefits unless the
19 member has made all payments required for the purchase of
20 the service credit.

21 SECTION 20. IC 33-13-10.1-5 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5. (a) Any participant
23 who:

24 (1) ceases service as a judge, other than by death or disability; and

25 (2) is not eligible for a retirement benefit under this chapter;

26 is entitled to withdraw from the fund, beginning on the date specified
27 by the participant in a written application. The date upon which the
28 withdrawal begins may not be before the date of final termination of
29 employment or the date thirty (30) days before the receipt of the
30 application by the board. Upon the withdrawal, the participant is
31 entitled to receive the total sum contributed, payable within sixty (60)
32 days from date of withdrawal application or in such monthly
33 installments as the participant may elect.

34 (b) A judge who has purchased military service credit who
35 subsequently receives a retirement or disability annuity for the
36 same service from another tax supported public employee
37 retirement or disability plan other than under the federal Social
38 Security Act may withdraw the personal contributions made under

1 **the contributory plan plus accumulated interest after submitting**
 2 **to the fund a properly completed application for a refund."**

3 Page 16, between lines 15 and 16, begin a new paragraph and insert:

4 "SECTION 22. IC 36-8-1-11 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 11. (a) "Salary of a first
 6 class patrolman or first class firefighter" means the base salary of a
 7 patrolman or firefighter plus:

8 **(1)** all longevity increases, if provided by the employer, for
 9 service of twenty (20) years or less; **and**

10 **(2) remuneration or allowances for clothing, to the extent that**
 11 **these amounts exceed three hundred dollars (\$300) per year;**

12 but does not include remuneration or allowances for fringe benefits,
 13 incentive pay, holiday pay, insurance, ~~clothing~~, automobiles, firearms,
 14 education, overtime, or compensatory time off.

15 (b) With respect to the 1925, 1937, and 1953 funds, "salary of a first
 16 class patrolman or firefighter" may include longevity increases for
 17 more than twenty (20) years of service at the option of the employer but
 18 only if these longevity increases had taken effect before January 1,
 19 1983."

20 Renumber all SECTIONS consecutively.
 (Reference is to HB 1093 as introduced.)

and when so amended that said bill do pass.

Representative Bauer